Renewable Energy Initiative Wednesday, August 1, 2007 10:00am-12:00pm

Utah Department of Environmental Quality 168 North 1950 West, Room 101 Salt Lake City, Utah 84114

Minutes

Process for Completing Policy Recommendation –

- Dianne Nielson, Energy Advisor to the Governor, reminded the group about the importance of the Renewable Energy Initiative and the Governor's desire to increase the amount of renewable resources, especially in the context of energy security /diversity. Furthermore, she asked the group to complete a set of recommendations to increase renewable resources by the end of Sept.
- Rick Sprott, Executive Director of DEQ, encouraged the group to focus on the policy recommendations that are being developed by the Governor's Blue Ribbon Advisory Council on Climate Change (BRAC).

Presentation on Avoided Costs -

• Rebecca Wilson, Executive Staff Director for the Public Service Commission (PSC), gave a presentation on avoided cost. She gave a background to the PSC, including the statues that govern the operation and decisions of the PSC. She explained that when utilities purchase electricity it must be purchased from a "qualified facility" and it must be purchased at a price that is set at their "full avoided cost". The price terms and conditions are set by the PSC.

Wind Power Commercialization Issues -

• Tracy Livingston from Wasatch Wind talked about some of the commercial challenges facing his company in developing renewable resources in Utah. He gave an overview of the Spanish Fork development project, which he described as one of the best wind resources in the state. He explained the biggest challenge was pricing. His project was being priced against wind projects in other states. He continued that Wyoming has more wind resources than Utah and that Wyoming's tax structure is more favorable to renewable projects than Utah's.

Action Items

Pacificorp will send to the group a series of questions that should be answered when evaluating renewable portfolio strategies. The group is asked to review those questions and research renewable programs in other states.